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Subject: Marcellus shale

Ex. 5 - Deliberative

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Pa. residents sue gas driller over polluted drinking water

They blame "fracking" in Susquehanna County. The company says there may be a natural cause.

By Michael Rubinkam

Associated Press

DIMOCK, Pa. - Pat Farnelli says there's something in the water at her house. The last time she drank it, she says, she vomited four times. It has made her children sick, too.

Like her neighbors in this rural community in Susquehanna County, 15 miles south of the New York border, Farnelli signed a lease with a major natural-gas driller to explore a potentially lucrative formation beneath her land. Now, Farnelli and other plaintiffs in a lawsuit allege Cabot Oil & Gas Corp. of Houston polluted their wells with methane gas and other contaminants, destroying the value of their homes and threatening their health.

A Cabot spokesman said the lawsuit, filed late Thursday in federal court in Scranton, had no merit.

At a news conference Friday to announce the suit, residents described an ordeal that began shortly after Cabot started drilling near their homes. The water that came out of their faucets suddenly became cloudy and discolored, and it smelled and tasted foul.

Then, on New Year's Day, a resident's water well exploded, prompting a state investigation that found Cabot had allowed combustible gas to escape into the region's groundwater.

Residents "were never told that this was even a possibility," said Alan Fuchsberg, an attorney for the plaintiffs.

13 wells found polluted

More than a dozen families have sued, asking for an environmental cleanup, medical monitoring, and damages in excess of \$75,000 each.

The state Department of Environmental Protection determined that 13 wells had been polluted. In a consent decree signed this month, Cabot agreed to pay a \$120,000 fine, improve its drilling operations, and restore or replace the affected water supplies.

Pennsylvania regulators, citing three chemical spills in September at a single well site in Dimock, halted Cabot's use of a drilling technique that uses liquids to fracture rock and release natural gas. Cabot was permitted to resume hydraulic fracturing or "fracking" several weeks later after DEP said the company had taken steps to prevent a recurrence. The spills are cited in the residents' lawsuit.

Cabot spokesman Ken Komoroski said Friday that the company had not admitted to polluting residents' wells. He said Cabot believed the high levels of methane detected in the wells might be natural. He said a company investigation was continuing.

"On one hand, if Cabot caused the methane contamination, certainly it's understandable why everyone is upset, and Cabot will address that situation," he said. "But I wonder how they'll feel if at some point it's proven that Cabot didn't cause it, that all this anger and frustration has been based on a false premise. And we just don't know yet."

Pa. drilling escalates

Cabot is among a slew of exploration companies that are drilling in the Marcellus Shale, a layer of deep rock that experts say holds vast stores of natural gas. The company began approaching homeowners in Dimock in 2006, promising fat royalty checks and a hassle-free, environmentally friendly operation, plaintiffs said. Instead, the suit says, residents have been exposed to "combustible gases, hazardous chemicals, [and] threats of explosions and fires."

Some residents also said the company had pressured them into signing leases, telling them that all of their neighbors had already signed and that the company would remove gas from underneath their properties anyway.

Cabot has drilled at least 62 gas wells within nine square miles in Dimock, according to the suit. Lawyers say the company plans at least 60 more.

Craig Sautner, 56, signed a lease with Cabot shortly after buying his house in the spring of 2008 for \$150,000. He said his well had since been contaminated by methane and unknown pollutants that discolored his water and made it smell like a "fishy pond." He now gets his water from a large portable tank in the garage.

"You're paying a mortgage on a house that's completely worthless," said Sautner, a father of two. "I work every day, busting my hump just to pay the mortgage, and I can't even sell my house."